The University of Pennsylvania is launching into another significant round of capital projects this summer and is set to spend $291 million over the next year at its West Philadelphia campus.

The school spends roughly $200 million annually on capital projects, having a spike in 2008 when it embarked on $562 million of work, and during the last five years, shelled out roughly $2 billion on new construction and upgrades to existing facilities.

Penn has been consistent during the last five years in funding projects in spite of the recession, which prompted some of its counterparts to either pull back or ax building projects.

Construction spending by higher educational institutions between 2004 and 2008 ranged between $13 billion and $15 billion, and 2006 was the peak when a total of $15 billion was spent, according to a this year’s College Construction Report from College Planning & Management. Schools have had to pull back on capital work when their endowments took hits during the downturn, credit markets froze or states cut budgets at public colleges and universities. In 2009, total spending by schools of higher education shrank to $10.7 billion but inched up to $11 billion last year. Schools are anticipated to complete $11.6 billion worth of work this year though shortfalls in state budgets that fund public universities could dampen that pace, according to the annual report.

“Penn, during this downturn, although we lost value in our endowment like everyone did, we lost the least of our peers,” said Anne Papageorge, vice president of facilities and real estate at Penn. “We went down 17 percent and others went down as much as 30 percent. When you have such a steep drop, some schools stopped projects and canceled projects.”

In addition, the university’s endowment funds 9 percent of its operating budget, which is a modest amount compared with some schools that rely on it to support 30 percent to 50 percent.

New buildings historically account for a majority of the construction colleges and universities undertake with additions and renovations taking up the remainder of capital work. In Penn’s case this year, the funding will go toward a mix of additions, renovations, routine maintenance as well as an open space project. In terms of dollars, the biggest is a restoration of a historic property referred to as the ARCH Building at 36th and Walnut streets near Locust Walk. The 29,000-square-foot structure was constructed between 1927 and 1929 and currently houses several student groups. It will undergo a $21.5 million renovation to create more common and meeting space, a café and auditorium on the ground floor. The student groups will relocate to the upper and lower floors and the building will become more public.
"It's a gem that just needed some tender loving care," Papageorge said.

Among other significant projects to get under way:

- A $17 million addition at Steinberg-Dietrich Hall is in the design phase.
- A $30 million renovation at the school of medicine.
- A $8 million development of Shoemaker Green, a sustainable open space project that will replace some old tennis courts covering 3.75 acres off 33rd Street surrounded by the Palestra, Franklin Field and the David Rittenhouse Laboratories. This will get started once Penn Park, which will have new tennis courts, opens in late August.
- $6 million will be spent on a series of energy-reduction efforts.
- A full design of a new $120 million, 180,000-square-foot residential hall at 34th and Chestnut streets.

Several major projects are also being wrapped up, including the completion of the law school’s Golkin Hall and the $60 million fitting out of three floors totaling 131,000 square feet at the medical school’s translational research lab.

All of the work Penn has completed and will begin soon means the first phase of Penn Connects, the school’s master development plan, is finished. Penn Connects was created as a 30-year plan, launched in 2006. It has four phases and a committee is going to review Phase 2 goals and opportunities from 2011 through 2015.

With the initial phase completed, the school is having a clear impact on West Philadelphia.

"Two aspects of what they are doing are really critical when you look at the aggregate," said Matt Bergheiser, executive director of University City District, a special services district that receives funding from Penn. "They are truly bringing world-class, sometimes first-in-the-nation research facilities to University City and Philadelphia, and it gives Philadelphia this world class status."

In addition, with the near completion of Penn Park, the vision to better link West Philadelphia, with its educational base, with Center City’s financial and business hubs, is starting to take shape.

"Directly relevant to our work at University City District, Penn is knitting together the two primary districts in the city with Penn Park and some of the other capital projects the university is taking, they will serve to knit these districts together," Bergheiser said.